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DIVERSIFICATION OF FORMS AND METHODS OF THE COMMISSION'S ACTIVITIES DESIGNED TO ASSIST THE INTEGRATION OF THE COUNTRIES IN TRANSITION INTO THE EUROPEAN AND GLOBAL ECONOMY

Note by the Executive Secretary

1. Introduction

1. The primary objective of ECE technical cooperation activities is to act catalytically to promote the self-reliance of the recipient countries so as to assist them in their efforts in the management of the transition processes. The ECE intergovernmental and expert meetings, workshops and advisory services are instrumental in securing relatively rapid needs assessment in countries in transition. One of the important aspects of ECE assistance is to draw the attention of the United Nations and other international institutions to the needs identified, and not to develop its own country programmes and projects.

2. Cooperation with the United Nations system has been strengthened using the established mechanism of the Consultative Committee on Programme and Operational Questions (CCPOQ) which put considerable effort into increasing efficiency and cooperation among United Nations entities in preparing for the triennial policy review of the UN operational activities by the General Assembly at its 50th session.

3. The present report summarizes major operation activities carried out so far, as well as the new activities aiming to diversify the scope and content of ECE efforts to assist the integration of the countries in transition into the European and global economy in response to decision B (50). To this effect, increased interaction has been secured with donor agencies, particularly the European Union, the principal donor in the region.

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4. The report provides information on the United Nations Triennial Comprehensive Policy Review, cooperation with the UN system, European Union, financial institutions and business community. More detailed information is provided on ECE workshops and established technical assistance programmes and projects. The possibilities of strengthening the ECE training programme are presented. However, the shortages in cashflow and restrictions imposed have put severe constraints on the programmed development of training material for the use of training institutions in transition countries. The ECE advisory services, presented in a separate report, were most instrumental in enlarging the scope and content of the ECE operational activities presented in this report. It has to be pointed out that close interaction between ECE regular programmes and operational activities has been maintained, resulting in a synergy of efforts.

2. Triennial Comprehensive Policy Review of Operational Activities for Development of the United Nations System

5. The triennial comprehensive policy review of operational activities of the UN system provides an important opportunity to improve the efficiency of technical cooperation to the recipient countries of the UN system.

6. In response to Assembly resolution 47/199 regarding recommendations on how to improve United Nations operational activities, a process of extensive consultations within the UN system was launched in the context of ACC. The preliminary review at the 1995 substantive session of ECOSOC provided important insights into current policy issues which guided the finalisation of the report in accordance with the provisions of ECOSOC resolution 1995/50 (paragraph 4).

7. ECE participated in the preparation of the report in the framework of CCPOQ, representing frequently the views of other regional commissions, in order to indicate the need for increased regional cooperation in operational activities. The Secretary General's Report (A/50/202) contains 28 recommendations and supporting analyses requested by resolution 47/199. In addition, for the first time, the Report deals with the improved regional cooperation and increased collaboration with the Bretton Woods institutions.

8. The capacity of the regional commissions to address the issues of intercountry and regional character was reflected in the proposal to prepare a regional strategy note to serve as a framework for regional cooperation. It was also proposed that regional and intercountry dimensions should be considered during the process of preparing country strategy notes.

9. The Second Committee at the 50th session of the General Assembly considered the proposal on regional strategy notes which, however, was deemed premature since most recipient countries, including those in the ECE region have not yet prepared their country strategy notes (with the exception of Turkey and Ukraine).

10. Assembly resolution A/C.2/50/L.79, in operative paragraph 20 supported regional coordination and requested the Secretary General, in consultation with member States, to consider ways and means of enhancing coordination of

United Nations activities at the regional and sub-regional levels and of promoting national ownership of regional programmes. Regional coordination will be further discussed at the 1997 substantive session of ECOSOC.

3. Workshops

11. Decision B (50) underlines the valuable role of the ECE in assisting the countries in transition in particular through the programme of workshops, seminars and other similar informal activities on transition issues organized under ECE auspices.

12. Cooperation in the organization of workshops with other international organizations and institutions in the region has been reinforced as well as collaboration with sub-regional groupings.

13. Since the programme began in May 1990, 183 workshops have been held within the Commission' s activities designed to assist the integration of the countries in transition into the European and global economy, in the following fields: human settlements; environment; industrial development; energy; transport; statistics; forestry; economic analysis and population, including women and older persons.

14. From 1 April 1995 to 14 April 1996, 37 workshops were organized or planned under ECE auspices, of which 8 referred to energy, 7 to environment, 6 to industrial development, 5 related to human settlements, 3 to transport, 3 to economic analysis and population, 2 to statistics; 2 to forestry, and one to trade. However, some of the ECE meetings, work sessions and seminars classified as regular meetings and providing technical assistance to countries in transition could also be considered within the programme of workshops. For example, this is the case of the Trade Division which had one workshop only during the last year but has initiated a number of technical meetings and seminars to strengthen its regular work programme.

15. In comparison with the number held during the previous period (45 from 1 April 1994-31 March 1995) the number of workshops is lower. The 18% decrease is mostly due to the temporary limitation in travel - eight workshops were postponed due to the UN cash-flow shortages. This proves that the demand for ECE workshops is sustained.

16. The number of host countries has increased both in countries in transition and in market-economy countries from 17 to 19. Twenty-one workshops were organized in 10 market-economy countries and 16 workshops in 9 countries in transition.

17. Some workshops were entirely organised by the ECE Regional Advisers. They often participated in the organization of advisory and training workshops or expert meetings in which a particular follow-up is requested, for example, the advisory workshop on Industrial Restructuring in Selected Countries in Transition (Geneva, June 1995) which provided a country-by-country analysis of industrial restructuring for strategic planning both for government officials and the private sector. The following workshops were or will be organised between April 1995 and April 1996:

18. Energy Eight workshops: Four on gas issues related to transmission and distribution systems, contracting principles, project analysis and management and gas policies (Netherlands, Romania, Hungary, Slovenia); Three on coal issues related to development of clean small sized boilers, market adaptation of coal industry structures and development of the UN market oriented classification of the assessment (Poland, Czech Republic, Germany); one on renewable sources of energy (RSE), in particular on the use of solar energy (Israel). None postponed due to shortages in cash-flows.

19. Environment Seven workshops: two on economics and environment (Czech Republic, Geneva); one on environmental performance reviews (Bulgaria); one on the Convention on Environmental Impact Assessment in a Transboundary Context (Norway); two in relation with the Convention on the Transboundary Effects of Industrial Accidents (Germany, Finland); one as training course on chemical emergency preparedness and accident prevention in cooperation with the industry division (Poland). Four workshops were cancelled or postponed on issues related to the Environment and Human Settlements Division, and two were cancelled due to budget freeze.

20. Industrial development Six workshops: one on the Implementation and Certification of Quality Assurance Systems (Romania); one Advisory workshop on Industrial Restructuring (United States, support from the EU, OECD and EBRD); one on Small and Medium-sized Enterprises (Russian Federation); one on industrial policies in the economies in transition and main policy issues, focus on Hungary (Hungary, cooperation with UNIDO); one on Soil Decontamination and Remediation (France, follow-up workshop in 1997); one on Industrial Safety (Geneva), two workshops postponed due to the UN cash-flow shortages.

21. Human settlements Five workshops: four on issues related to cadastre development in countries in transition (Netherlands, Latvia, Bulgaria, Spain); one on modernization policies for built-up areas focused on experiences in Western countries (Denmark).

22. Transport Three workshops: One on transport sector transformation for countries in transition, organized jointly by the European Union and the United Kingdom under ECE auspices (United Kingdom); one on improvement in statistics on the transport of goods by road (Netherlands); one on ECE work in the field of transport including legal instruments (Geneva); One workshop was postponed due to shortages in cash-flow.

23. Economic analysis and population Three workshops: two training workshops on International Migration Surveys (Poland, Geneva) and one workshop on Impact of economic instruments for environmental policies on privatized industrial and agriculture enterprises (Geneva).

24. Statistics Two workshops: One on agriculture statistics for central and east European countries (Slovenia - ECE-Eurostat-FAO-OECD); and one for the discussion of the results of the international comparison of economic development (per capita GDP in common currency - Austria - in cooperation with Austrian Central Statistical Office, OECD, Eurostat).

25. Forestry Two workshops: one on forest seeds collection, treatment and storage and one on market research, market development, marketing and distribution of saw milling products. One workshop was postponed due to cash-flow shortage.

26. Trade One workshop: on promoting the expansion of trade of the countries in transition as an important factor of their integration with the European and global economy (Geneva). Two workshops were cancelled due to shortage of funds: one on financing trade in countries in transition and one on promotion of foreign direct investments for small and medium-sized enterprises.

27. Results of the ECE workshops are regularly reported and evaluated by ECE, and the follow-up influences the work of the Commission as a whole. Conclusions and recommendations are considered by the PSBs and working parties and often influence their programmes and methods of work permitting a rapid and effective response to the needs of the economies in transition.

28. Follow-up to the workshops varies according to the kind of results: (a) workshops influencing the ECE programmes of work; (b) workshops influencing national policies; (c) workshops contributing to specific projects and technical assistance activities of ECE and of other organizations and institutions.

4. Trust Fund on Assistance to Countries in Transition (TFACT)

29. The Trust Fund on Assistance to Countries in Transition provides a channel through which governments, international organizations, institutions and other donors may contribute funds to help countries in transition and newly independent States to defer the costs of their participation at ECE workshops and experts meetings.

30. Decision B (50), paragraph 6, invited all potential donors to finance the programme of workshops, seminars and other forms of activities on transition issues operated under ECE auspices. A similar request was addressed by the Parliamentary Assembly of the Council of Europe which requested its member States to contribute to TFACT.

31. The net unencumbered balance excluding programme support costs, mandatory operating reserve and interest, as at 31 January 1996 is US$133,551. Of this balance, amounts have been earmarked by the donors for the following sectors: Environment (US$85,609), Transport (US$11,670), Trade Facilitation (US$3,246), Economic Analysis (US$1,358), Agriculture and Timber (US$1,639), and Human settlements (US$13,552).

32. The European Commission's contribution of US$16,577 has been specifically earmarked for the environment, transport, statistics, trade facilitation, economic analysis and energy.

5. Technical cooperation programmes and projects

33. The contribution of ECE divisions to operational activities either in the form of well established projects funded by UNDP and UNFPA or through ECE

trust funds has been continued and further strengthened and some new initiatives have been developed through the programme of regional advisory services.

Population

34. Three projects were conducted with the financial support of UNFPA:

a) Population Ageing Project (RER/92/PO2) assembled and standardized for 11 countries cross-nationally, comparable data sets, comprising samples of about one million individual census records per country. Since the initial phase the number of countries has expanded to 15, which has increased the work load. The US National Institute of Ageing provided additional financial support. An outline for a standard country report has been prepared. The project is an important part of the follow-up to the Social Summit and will be of special interest in the context of 1999 Year of the Ageing.

b) Fertility and Family Surveys Project (RER/92/PO3) conducted surveys in 21 countries. The standard country report is complete for one country (Norway) which will serve as a model for country reports. An additional four countries have expressed interest in participating in the project. Its results promise a new insight at the crucial stage of demographic development in the region and it would contribute to the implementation of the Action Programme of the International Conference on Population and Development.

c) International Migration Project (RER/92/PO1) The objective is to provide a basis for informed policy making on migration issues. An overview of on-going migration research in the region has been published. Eleven country studies on international migration in central and eastern Europe have been prepared as well as a study by national experts on irregular/illegal transit migration. A study on international migration policies is being prepared. The project includes the biannual publication of the International Migration Bulletin, which is widely disseminated. In-depth ethno surveys on mechanisms, determinants and consequences of migration are being conducted in three central and east European countries, and 6 training workshops were held.

35. The three projects were externally evaluated in January 1996. The evaluation report stresses that all three projects are highly relevant to country concerns. Country interest is supportive of ECE's coordinating role. Taken together, the projects constitute a highly efficient and cost-effective regional population programme. The projects are in general well designed and were derived from a careful assessment of needs. During their execution they have all benefitted from the advice of country participants and top-level specialist advisers. It is expected that the project will continue in 1996/7.

Statistics

36. Preparatory activities of the joint ECE/UNDP (REP\93\019) regional statistical project "Support for Development of Social Statistics" were finalised: the First Steering Committee Meeting (April 1995) launched the Project and by July 1995 the Project Document was signed by all the invited countries in transition from the ECE region. The first two training activities

were very successful; the Workshop on "Networking and Distributed Processing", for specialists from the central and east European Countries; and the "Workshop for Census Managers on how to plan and organise a population and housing census", for specialists from CIS countries. These first instalments will be followed in early 1996 by the complementary "Networking and Distributed Processing" for CIS countries, and "Census Managers" for the central and east European Countries . In cooperation with the Council of Europe, the participation of specialists from Croatia, Estonia, Latvia, Lithuania, Slovakia and Slovenia was arranged in the census of Malta (November 1995). In order to help transition countries in their efforts to produce social and demographic data, an expert hired by ECE prepared "Guidelines for a National Compendium of Social and Demographic Statistics".

Transport

37. Work has continued on the Trans-European North-South Motorway (TEM) Project with the participation of 10 countries and Trans-European Railway (TER) Project with participation of 11 countries . OECD and EBRD participated in the activities of the projects. The main activities of the projects during the reporting period included network development, including databases, project financing and evaluation, transport management and improvement and harmonization of techniques. Several seminars, workshops and study tours were organised within the framework of the projects on topics such as environmental impact assessment of road infrastructure and reduction of nuisances, pavement management systems, concessionary arrangements, toll pricing and financial engineering, productive criteria in rail transport, as well as technical meetings on pilot studies and programmes. The projects have achieved the set objectives and the follow-up activities are well designed. The results of the projects provide important inputs into the ECE programme of work on transport.

Environment

38. Three technical cooperation programmes are being developed: (a) transboundary water management and protection involving Belarus, Estonia, Latvia, Lithuania, Russian Federation; (b) support for sustainable investment decisions in fresh water and sea water resource management through a regional network and framework for data market infrastructure; and (c) mitigation of environmental effects of the military complex and conversion to peaceful uses.

39. Cooperation at secretariat level has been strengthened between the ECE and the Danube Project Coordination Unit. In the second phase of the integrated water and wetland management project for the Danube River Basin (1966-1999) to be funded by the European Union, and possibly the Global Environment Facility (GEF), ECE was identified as associated agency in a number of fields with particular reference to legislation, organic and inorganic persistent micro-pollutants, contingency planning, environmental risk assessment and transboundary cooperation. Detailed arrangements are being worked out with all partners in this project with particular emphasis on ECE environmental conventions.

Trade

40. A number of technical cooperation activities were initiated during the year, mostly through the advisory services. An EDIFACT training guide is under development with ESCAP. TraFIX is a joint programme with some national trade facilitation bodies, using the Internet World Wide Web, to increase awareness and use of trade facilitation standards among SMEs. National initiatives to establish trade facilitation bodies were supported. A compact disc containing trade facilitation recommendations has been developed in cooperation with the Bulgarian trade facilitation body, BULPRO.

Timber

41. The secretariat completed the first round of monitoring implementation of resolution H3 Forestry cooperation with countries with economies in transition" of the Helsinki Ministerial conference, and published the most important findings in the Interim report.

42. The report of the second round of monitoring, launched in November 1995, will be available by March 1996. The Timber Committee's regional advisor visited the Czech Republic, Slovakia and Hungary to overview the implementation, evaluate progress, consider ongoing projects as well as needs for assistance and identify problem areas where ECE can assist directly and indirectly. The project proposals to facilitate development in the defined problem areas are being elaborated to secure international financing.

Energy

43. The Energy Efficiency 2000 Project is funded by regular budget and extra-budgetary resources to a total expenditure of some US$ 500,000 per year spent in 1994-95 and approved by the Steering Committee for 1995-96. In addition, the Project attracts further extra-budgetary resources which it spends directly from the UNDP/GEF (US$ 300,000), UNDP-ILO (US$ 41,000) and indirectly joint projects with other international organizations such as the European Commission SAVE Programme (US$ 320,000). A preparatory assistance project to develop energy efficiency demonstration zones in Bulgaria, Czech Republic, Hungary and the Russian Federation was supported by the UNDP/GEF and extended to 1996. This assists economies in transition to prepare finished proposals for funding to be presented to the GEF Executive Council in 1996 and links their proposals with co-financing of the World Bank, commercial banks and the European Union PHARE and THERMIE programmes.

44. Energy efficiency trade promotion activities continued during 1995 with the second phase of the Project (1994-1997) holding trade fair business briefing sessions in Plovdiv (Bulgaria), Prague (Czech Republic), Maribor (Slovenia) and Lausanne (Switzerland) and an Ad Hoc Meeting on Energy Efficiency Demonstration Zones and the conversion of military industries to the manufacture of energy efficient technology in Minsk (Belarus) with the participation of the ILO.

45. A joint project with the European Union SAVE programme on energy efficiency standards was initiated in Belarus, Bulgaria, Hungary and Ukraine.

Studies on the technical features of existing appliance stock, manufacturing capacity and market for energy efficient appliances will be completed with local teams in the economies in transition. Work on financial engineering continued with the development of training courses based on the manuals for business planning for energy efficiency investment projects. Project proposals developed during the training course are to be presented to international financial institutions and commercial banks at the second session of the Ad Hoc Group of Experts on Financial Engineering to be held in Budapest (Hungary) in October 1996.

46. A new activity on financial mechanisms for energy efficiency investments in the Russian Federation began with the EBRD, World Bank, Russian commercial banks and western experts developing guidelines for an investment project.

47. The Technical Cooperation Programme "Promotion and Development of a Market Based Gas Industry in Economies in Transition - Gas Centre" was established in 1994 with the general objective of assisting the gas industries in economies in transition in the area of pricing and tariff systems, price policies, regulatory and legal measures, demand management and tax policies with the final goal of having an efficient and transparent gas industry, cognizant of the public interest.

48. During its first year of operations, four seminars and training sessions were organized and attended by 400 participants from more than 30 member countries; Three publications were issued and a fourth one is under preparation; Work has been initiated on the development of a gas data base; A draft of a training manual for natural gas rate-making has been designed and distributed among Gas Centre members.

49. In 1996, the work programme of the Gas Centre will cover a wide range of activities, with immediate priorities on training, technical missions, publishing activities and data base development. Future activities will include in-depth studies on key issues in the gas industry in economies in transition, including gas price policy, price trends, competitiveness, restructuring, privatization techniques and trends and investment trends. Company profiles of major natural gas companies in the ECE region will also be published on a regular basis.

50. The Gas Centre is supported directly by Governments, organizations, private gas companies and other institutions through contributions to the Gas Centre Trust Fund, which is administrated by the United Nations. Support is provided in the form of cash contributions to the Trust Fund, as well as resources offered by participating institutions for project activities, mainly in connection with seminars and conferences and secondment of experts. The cost plan for 1996 amounts to US$367,000. Total pledged contributions for 1996 reached US$400,000 at the end of November 1995.

Industry and Technology

51. The Working Party on Steel is a member of the project on Steel Industry in Europe, which includes the World Bank, EBRD, European Union and International Iron and Steel Institute (IISI). Eight steel producing

countries of central and eastern Europe participate in the project. In the framework of the project, which enabled five organizations to join their efforts in securing the integration of the steel industry into the European and world economy, two studies were issued "The Global Study of the Steel Industry in Europe" and "The opportunities for Cooperation in the Steel Industry". Conferences on steel related topics were held in various countries.

52. A pilot project was initiated by the Working Party on the Chemical Industry on the environmental clean-up of sites polluted by chemicals in economies in transition. Fifteen countries in transition indicated A total of 42 such sites, of which five have been selected as priority once funds for the project are secured. Work should start in the second part of 1996.

53. Several project proposals have been submitted to the European Union PHARE and TACIS programmes for possible funding, as reflected under section 10.

6. Data collection and sharing

Data collection and data sharing on foreign direct investments

54. In conformity with decision B (50) ECE has applied for a grant from the World Bank to develop a database relating to legal aspects of foreign investment and privatization in transition economies. While the initial reaction of the World Bank to this application was positive they have not as yet made a definite response and negotiations are still under way.

55. Upon request ECE routinely shares the available FDI information with other users including international organizations. Interested departments of the EBRD were included on the mailing list for the ECE newsletter, East-West Investment News. The ECE Statistical Survey of Foreign Investment in Transition Economies, prepared for the annual sessions of the Committee on the Development of Trade, is distributed to many national and international institutions. In December 1995 copies of the Survey were sent to statistical offices and national banks, including those which have not yet participated in ECE data collection in countries in transition, as well as to those government agencies of developed market economies which have expressed interest in ECE work (e.g. the U.S. Department of State, Department of Commerce, General Accounting Office, OPIC, International Co-operation Agency of Japan, Turkish International Co-operation Agency, Swiss Office of Foreign Economic Affairs), and international organizations: the OECD (International Investment Policies Department), World Bank/IFC, Commission of the European Communities (Statistical Office) and EBRD.

56. On the legal side, under the auspices of the Committee on the Development of Trade, the Working Party on International Contract Practices in Industry (WP.5) produces draft model agreements (e.g. joint venture, buy-back or counter-purchase) and legal guides aimed at facilitating business negotiations in transition economies and the dissemination of information on new forms of economic cooperation. The Working Party Recently finalized a guide on Financing Trade and Private Companies which will be published in early 1996. A guide on Adopting Property Laws: A Guide for the Transition Economies will be issued shortly. The Working Party is now developing Model Guidelines on New

Forms of Project Finance, Including BOT which will help transition economies mobilize external finance, particularly in infrastructure development.

List of experts and specialists

57. The list of experts and specialists on the problems of privatisation has been finalized (E/ECE/1328/Add.1).

OECD database on technical cooperation programmes in countries in transition

58. OECD has proposed that ECE take over the handling of the CCET (Centre for Cooperation with the Economies in Transition) Register. Due to staff limitations ECE has approached the UN International Computing Centre in Geneva whose initial assessment is that they could provide the "technical infrastructure" to operate the Register technically, provided that the ECE would provide substantive engineering to the Centre. Alternative approaches and financial requirements to continue the register are being assessed.

7. National capacity strengthening and training programmes

59. Decision B (50) recommends that the Executive Secretary in consultation with UNDP, EBRD, OECD, the World Bank and other institutions and organizations explore the possibility of establishing in one of the interested countries in transition and with financial support of these organizations and institutions of training courses in the matters of market economy for the representatives of administration and business community of the countries in transition.

60. The process of consultations has been carried out to assess the possibilities of improving the ECE role in human resources development by increased cooperation with relevant institutions.

61. The Joint Vienna Institute is a cooperative venture between the Bank for International Settlements (BIS), EBRD, World Bank (IBRD), the International Monetary Fund (IMF) and OECD. The Commission of the European Communities also played an important role in the start-up and early development of the Institute. In addition, support is given by the Government of Austria as well as the Austrian Development Bank and several donor countries.

62. JVI is specialized in providing training related to the management of transition processes to help meet massive training requirements of the former centrally planned economies. ECE had consultations in November 1995 with the Director of the Institute and with the Chairperson of the Training Design Committee to discuss ECE possibilities of cooperation for the JVI 1996 programme. ECE could organize within JVI some training seminars on topics such as: trade facilitation, entrepreneurship, particularly small and medium enterprises, ECE environmental conventions, investment data, land registration (cadastre), industrial restructuring, energy pricing, etc. As a first activity ECE has proposed a seminar on facilitating trade in transition economies, designed for civil servants in Trade Ministries in transition economies, which could be held during summer 1996.

63. The European Training Foundation, an autonomous agency of the European Union, was established in 1995 in Turin, Italy. Its key tasks are to coordinate and support EU activities in the field of initial and continuing vocational education and training as part of the overall economic restructuring effort in the countries of central and eastern Europe and the former Soviet Union. Central to this role is the management of vocational education and training programmes supported by the EU's Phare and Tacis programmes. The Tempus Programme in the field of higher education is also managed by the Foundation.

64. Initial contacts were established with the Foundation to exchange views on the possibilities of future cooperation in the management training programme. ECE intends to cooperate in training of advisers for entrepreneurship and development of SMEs. While there is a willingness to cooperate with ECE, the Foundation has not yet been able to commit funds. It was agreed to hold a technical meeting with ECE as soon as their funding scheme is in place, possibly in May or June 1996.

65. As previously reported, contacts with the ILO/Turin Centre continued in 1995 to reinforce cooperation for the development of manuals for training of trainers in the fields covered by the Centre's regional programmes and the needs identified by ECE through its advisory services and regular programme activities, and the development of small and medium-sized enterprises (SMEs) in countries in transition. The project was planned to start in October 1995 but was postponed to 1996 due to cash-flow shortages. Other possibilities were also considered in the field of energy efficiency and statistics, but had to be cancelled due to the cash-flow crisis and loss of budgetary resources. Consequently, the production of training packages can be resumed only when additional resources are secured.

66. Regional coordinating centres for training under ECE environmental conventions: Under the Conventions in the fields of water management, environmental impact assessment and industrial accidents, Governments are creating regional centres for the development of capacity building, to provide effective tools to convey experience gained to countries in transition. UN/Regional Coordinating Centres for training and exercise in the field of prevention, preparedness and response to industrial accidents were established in Warsaw and Budapest in 1994. Their programmes for 1996 were discussed by the Fifth Meeting of the Signatories to the Convention on the Transboundary Effects of Industrial Accidents, including the elaboration of a strategy for accidents related to training and education, strengthening cooperation among rescue services and the points of contact for accident notification and mutual assessments as well as emergency planning, public participation and industrial safety. Steps have also been taken to submit project proposals to the PHARE programme to assist central and east European countries in building up training activities within the Training Centres.

67. The Meeting on Military Activities and the Environment convened by UNEP in cooperation with ECE and hosted by the Government of Sweden (Linkoping, June 1995) devoted considerable attention to improved training, capacity building and exchange of information and experience. In the Linkoping document, the meeting welcomed the offer of the delegation of Hungary to open

up to a number of ECE countries a national centre for training and information regarding environmental activities of the armed forces in consultation with the ECE and NATO.

68. Consultations were also held with the International Institute for Public Administration in Paris and International Environmental Academy in Geneva on possible cooperation related to human resource development, curricular and training programmes for the regional training centres on industrial safety and water management.

8. Reconstruction of war-torn areas

69. The long standing ECE mandate "to initiate and participate in measures for facilitating concerted action for the economic restructuring of Europe" is equally valid for present efforts to assist war-torn countries and areas in the ECE region. Reconstruction in the ECE region will be all the more complex since it will take place in the context of an interrupted transition process.

70. Assistance to war-torn areas requires a coordinated effort by the UN system and ECE has taken an active part in the CCPOQ efforts to secure an appropriate UN response.

71. The ECE participated in the fifth of a series of High-level Tripartite meetings of the OSCE, Council of Europe and United Nations held in Paris in December on the eve of signing the Dayton agreement. Rehabilitation and reconstruction in the territory of the former Yugoslavia was discussed focusing on coordination issues and funding. ECE expressed willingness to cooperate with OSCE and the Council of Europe on the mid-term reconstruction of war-torn areas in a number of sectors and using established modalities for cooperation such as providing an open forum for discussion, relevant information and statistics, legal instruments, workshops and advisory services, as well as the interaction with NGOs and business community through ECE established network of contacts. The ECE Executive Secretary submitted a working document to the Secretary-General on the possible contribution by ECE which was also made available to interested governments, institutions in charge of the reconstruction programmes and the World Bank.

72. The European Union invited ECE to participate in the first meeting of donor countries and organisations on the reconstruction of Bosnia and Herzegovina (Brussels, December 1995). The overall programme of priority reconstruction and social support has been estimated at some US$ 5.1 billion. The objective of the initial stage of US$ 518 million in commitments was reached during the meeting. A priority reconstruction programme was drawn up by the World Bank following a joint mission with the European Commission, IMF, EBRD, USAID and IMG in September 1995. The technical reports for the meeting were studied by ECE and there are a number of areas where ECE could assist such as statistics, gas, transport, energy, trade and investment, in the event that its assistance is requested by ECE member States, the European Union or the World Bank

9. Cooperation with the United Nations system

73. Cooperation with the United Nations system has been strengthened in all aspects of the on-going assistance provided to the economies in transition, including workshops, advisory services and training. The major donors of assistance within the UN system, UNDP and UNFPA, continued their financial support to some ECE programmes and projects.

74. Cooperation has been developed with the UNDP Regional Directorate in Europe and the CIS (RDEC). ECE participated in the regional meetings of RDEC resident representatives in St. Petersburg in June 1995 in which new approaches to project development, resource mobilisation and status of regional programmes for the sixth programming cycle were discussed. Some new initiatives were also taken in promoting electronic information and communication networks at regional and national levels. Particular attention was given to an increased partnership with Bretton Woods institutions and non-UN system partners through identification of flagship projects and interregional transfer of experiences, particularly from the ECLAC region. Cooperation with NGOs will also be promoted.

75. UNDP operational priorities for 1996/7 period emphasise sustainable human development and national capacity building, in particular poverty elimination, creation of employment and sustainable livelihood, advancement of women and environmental protection. The UNDP human development report, prepared for all transition countries within the region, will in 1996 emphasise human settlements. ECE has provided inputs for the reports as well as relevant information related to the priority areas on environment and women.

76. Close interaction has been secured with ESCAP in providing assistance to those countries which are members of both ECE and ESCAP. Regular exchange of information helps to avoid overlapping. Several joint activities have been carried out, particularly on energy, environment and population.

10. Cooperation with the European Union

77. The consultative process with the European Union has been intensified following the Executive Secretary's visit to Brussels in order to secure efficient coordination for the benefit of countries in transition. ECE Divisions and EU Directorates exchange programmes and publications. Following initial consultation, submission of project briefs and exploring possibilities of securing preparatory assistance has been agreed upon.

78. So far seven project outlines, identified through ECE advisory services and been requested by member countries as high priority development programmes, are being reviewed by PHARE and TACIS technical services. They include:

(a) For countries eligible for PHARE programmes:
- Harmonization with the Programme for intensive monitoring of forest ecosystems of the European Union in selected non-member countries
- Trade facilitation information for trade operators
- Role of government in creating credit guarantee schemes to promote SMEs

(b) For countries eligible for TACIS programmes:
- Improving trade finance and investment for the Russian timber sector
- Developing trade finance facilities for CIS and Mongolia: Contracts and documents in trade
- Workshop on international transit traffic trade facilitation

(c) For PHARE and TACIS countries:
- Protection and management of transboundary waters between Belarus, Estonia, Latvia, Lithuania and the Russian Federation

79. It is expected that some support will be available to secure further development of these initial project briefs in close consultation with countries in transition eligible for PHARE and TACIS assistance.

11. Cooperation with financial institutions and the business community

80. Through its regular programme of work ECE has developed cooperation with financial institutions, particularly the World Bank and the EBRD. In its efforts to promote assistance to economies in transition, ECE advisory services regularly provide information to countries on financial engineering in cooperation with financial institutions. There are only few possibilities for ECE to receive direct financing from these institutions.

81. The possibility is being explored of using the World Bank Special Guest Programme (SGP), the Bank's instrument for supporting multi-donor initiatives that address significant global or regional development not within the scope of the Bank loans. The SGP covers a wide range of activities such as agricultural research, health, human resource development, environment and private sector development. The majority of grants finance multi-year programmes and are reviewed on an annual basis. The programmes for submission to SGP are being developed taking into account the selection criteria which put emphasis on multi-country cooperation and benefits.

82. Since its inception, the ECE has maintained extensive relations with the business community. In 1990 the Commission issued a brochure entitled ECE and the Business Community which describes its long-standing cooperation with the private sector. The brochure served as an ECE contribution to the Bonn Conference on Economic Cooperation in Europe held in March/April 1990. This sector's interest in the Commission's work, which has evolved with the changing political and economic situation in the region, is explained by the fact that the Commission is one of the few regular forums where a multilateral and comparative perspective can be taken with both the business community and government officials. ECE activities in such areas as norms and standards setting, the environment and human settlements, the "Environment for Europe" process, trade facilitation, East-West trade and investment promotion, transport regulations, industrial cooperation, energy, and assistance to countries of the ECE region in transition have proved very attractive to the business community. Business enterprises actively participate in seminars, round tables, workshops and study tours organized under ECE auspices which provide opportunities for business contacts. They contribute expertise and material to symposia and other meetings and are involved in the Commission's technical cooperation programmes.

83. Several thousand experts world wide, mainly specialists from enterprises, are involved in the formulation of UN/EDIFACT messages and recommendation for the electronic exchange of trade and transport data. A number of seminars have been held on East-West trade promotion, marketing and business contacts. The most recent was the high-level Forum on Attracting Investment for Large-scale Infrastructure Projects in the Countries of Central and Eastern Europe and the Commonwealth of Independent States (CIS), held in November 1995, in Geneva, with the assistance of International Business Communications Limited (BC, UK Conference LTD). This Forum brought together some 300 participants, the vast majority of them from the private sector, to explore the feasibility of applying new methods of financing infrastructure projects in the region, involving private enterprises. In the industrial fields ot chemicals, steel, and engineering and automation, 80-90% of the participants come from this sector. Energy-supplying industries are involved in the ECE Gas Centre, while energy technology manufacturing industries, such as Rolls Royce and Siemens, participate in the Energy Efficiency 2000 Project.

84. The Commission has participated as an observer in, or prepared substantive contributions to, various economic forums, including Davos and Crans Montana. It is currently cooperating with the recently established European Business Council for the United Nations. Meetings have been convened between the ECE and the Business Council to seek ways of intensifying interaction between the business community.

85. ECE participates in an Ad Hoc Working Group established to consider ways and means of facilitating the interaction of the United Nations with NGOs and the business community. In January 1996, ECE prepared a paper on its relations with the business community for the Geneva Working Group on NGOs It contained some proposals based on ECE experience for facilitating relations with the private sector.

12. **Concluding remarks**

91. ECE has explored possibilities of diversifying its forms and methods of assistance to economies in transition with a view to facilitating their integration into the European and global economy. However, the diversification efforts were focused on those activities which are closely related to the on-going ECE work programme of priority interest to the countries in transition.

92. The Commission might wish to provide guidelines on those activities which should be reinforced in the forthcoming period. The steady or even growing demand for workshops and the tangible outputs of the on-going selective technical cooperation programmes suggest that they should be continued and strengthened.

93. In the field of human resources development efforts should continue to increase interaction with training institutions and programmes, and to provide greater assistance to national training centres and institutions.

94. Resources permitting, it would be desirable that ECE develop training materials, portfolios and/or modular training packages for training of

trainees in cooperation with the ILO/Turin Centre. This would enable their translation into national languages which would secure a multiplier effect of training activities in countries in transition.

95. Assistance to war-torn areas might become relevant in the future taking into account ECE cooperation with OSCE, Council of Europe, European Union and the World Bank.

96. Cooperation with the European Union will be further strengthened particularly in securing country agreements for devising more ambitious programmes of interest to several countries.

97. Efforts will be made to draw the attention of financial institutions and other donors to the identified needs for assistance in countries in transition.

98. Cooperation with the business community should be strengthened in a more consistent framework to be considered and recommended by the Commission.

99. ECE will intensify the process of consultations with the UN system so as to provide a regional framework for national transition efforts, including joint programmes of assistance. This would secure the maximum outreach and use of ECE programmes.

100. It is hoped that ECE member countries and other donors will continue to support ECE activities of assistance to economies in transition which so far have been carried out in a catalytic manner with minimum financial resources.